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AN ARGUMENT FOR A PERMANENT EXPERT TARIFF COMMISSION

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There are four thousand items in the tariff. It is impossible for Congressmen to post themselves on a hundredth part of the schedules. The work of drafting legislation must be done by others; as, in great measure, it has been in the past.

The inability of Congress to frame a proper tariff, even if so disposed, by present methods, and the inexperience of Congress, are little appreciated. A tariff bill is framed in the first instance by the majority members of the Ways and Means Committee of the House. It is expected to pass the House as submitted with little alteration. The minority members of the committee have little or nothing to do with it. For instance, in the making of the McKinley bill the minority members were present at the open hearings, but very early in the committee's actual constructive work, the minority members said to the majority members, "we will not embarrass you by our presence. We will, of course, make a minority report, and with that understanding we leave you to your work."

The present Ways and Means Committee which, if the Republicans are successful, will frame the next tariff, has upon it only two Republicans who have had any experience in the making of tariffs, Mr. Payne and Mr. John Dalzell. One member only of the minority, Mr. Cochran, ever served upon a tariff-making committee before, Mr. Cochran being one of the majority members who framed the Wilson bill.

Imagine, if you can, a tariff framed in a know-it-all-in-ninety-days session by a lot of novices under the direction of Mr. Payne, of New York, and Mr. Dalzell, of Pittsburg. Not one of the committee is a manufacturer. They know as little about manufacturing as manufacturers know about law, and yet Messrs. Payne, Dalzell, and a very few others who support them, insist that these men shall so legislate as to affect the prices, cost of living, and the pro-

fits and the savings of our ninety million inhabitants, and shall determine what shall be our success in foreign trade, where we meet Germany with its perfect tariff, based upon the findings of the German Tariff Commission of thirty-two experts, who gave five years of study to her interests, consulting in that period 2,000 other experts. As well give the throttle of a locomotive over to a child and expect the best consequence.

The Dingley Bill

The Dingley bill had among its majority members only four men, Messrs, Dingley, Payne, Dalzell and Hopkins, a newspaper editor and three attorneys, who had any previous experience, and Mr. Benton McMillan of the minority. That men so inexperienced should have hastily made a tariff for this nation "was worse than a blunder; it was a crime," They only made a great, blind jab at the task. They began wrong by taking classifications more than a generation old, very inapplicable to our time, having neither knowledge nor time to consider that important phase of the subject at all adequately, and consequently we have had 300,000 lawsuits on classifications and appraisals, nine-tenths of which might have been avoided.

The Wilson Bill

So of the Wilson bill. Only three members of the majority had had previous experience and that as minority members of the committee which framed the McKinley bill where, they had too delicate consideration for the majority even to be present when the work was done. These three men, with others wholly inexperienced, made the Wilson bill. There were of the minority members of the Wilson Committee, five Republicans of previous experience, whose experience was neither desired nor made use of.

The pitiable plight of the inexperienced Democrats who made this Wilson Bill, is in part illustrated by the following statement of Senator Vest, of Missouri:

I look back now upon what occurred during the debate and conference on the Wilson-Gorman bill as a nightmare, from the effects of which I have never recovered.

Before the conference ended three of the conferees had broken down under the constant strain to which we were subjected. Wilson was attacked with facial erysipelas, and in a few days afterwards I became a victim of

the same malady. We sat opposite to each other, our faces discolored by iodine and looking like two Indians painted for a war dance.

In a short time afterwards Senator Harris also went upon the sick list and told me subsequently that he dated the failure of his health from the effects of overwork and constant anxiety incident to the struggle over the Wilson-Gorman bill of 1894.

Senator Jones was also stricken down with angina pectoris and was compelled to go abroad in order to obtain relief. I have myself never been able to recover from the exhaustive labor to which I was subjected during that terrible struggle.

And as pitiable was the plight into which they put the whole country by the bill itself. The country was painted with iodine for years.

Bribery and ignorance worked together, impelling President Cleveland impulsively to declare the bill one "of perfidy and dishonor."

The McKinley Bill

Likewise as to the McKinley bill. Mr. McKinley himself was the only man of the majority with previous experience. A gentleman upon that committee, who was said by Mr. McKinley to have written more of the schedules than any other man, declares that they acted without information—could not get information, and simply did the best they could. Mr. McKinley's statement with reference to the glass schedule referred to in my preceding paper confirms this statement. He did not put the making of this and other schedules into the hands of the beneficiaries because he thought that the proper way, but because in the hurry, and lack of proper methods there was no other way.

Importance of Technical Counsel

The importance in a money sense of having an honest and scientific tariff cannot be overestimated. The total value of the yearly output of our factories is \$14,800,000,000. Much more than half of this is overcharged to the consumers not because of protection, but because of the graft in the tariff. The injury is cumulative. My own business pays \$50,000 per year of this graft. It must make the same profit on this \$50,000, as on the rest of its purchases. It therefore charges \$60,000, for the fifty expended. The jobber and the retailer each adds his profit, until the consumer

pays \$80,000 or more for the initial \$50,000 of graft. The total unnecessary cost of the tariff to American consumers cannot be estimated at less than \$500,000,000.00 per year. It has been estimated as more than double this figure.

Nothing but the unprecedented prosperity of the nation has made it possible for the people to submit to the situation without acute consciousness and extreme financial discomfiture. Nothing but its skilful indirection has kept the people from rising in protest and compelling correction. Few people can even discover from the tariff law what are the charges. Some great manufacturers cannot understandingly read their own rates. The man who made the original drafts of the McKinley and Dingley bills said: "The people won't stand for more than fifty per cent duties, and so I am making fifty per cent the apparent rate and by jokers and provisions not commonly understood, I am raising the rates far, far above that." And so he did. The law was made to cheat with.

Many of the people are aware of this. As time passes they find their best efforts avail nothing as compared with those of victorious trusts. Virtue no longer receives due reward. A sort of contempt attaches to it. The honest man is coming to look upon his own rectitude as if it were a sort of weakness. He wonders how he, too, can fool the people, and so bring into his pockets a miraculous stream of unearned dollars.

Great bankers agree that the half billion dollars of graft taken from the pockets of the consumers by the few ultra-protected interests is a great strain upon our financial resources. Those who get it, use it on the whole well. But things would be a thousand times better were these hundreds of millions of dollars left in the pockets of their rightful possessors, the consumers, to be used by them in the lesser and ordinary expenses of life.

The manufacturers of the country, tired of graft, and of ill-judged and hasty determinations, almost unanimously declare for the establishment of a non-partisan, semi-judicial, expert tariff commission, which shall study the tariff, schedule by schedule, and from time to time, embody their findings in the form of recommendations to Congress and the Executive. Every other great country has such a board or commission of experts. All our progressive statesmen know we must come to this. Only the politicians and their few but very rich and powerful over-protected sponsors and backers

oppose this plan. These opponents yield to the extent of conceding the necessity of expert determination, but they will not in fact yield any part of the graft-producing opportunities.

The fight to-day is for experts of independent standing, who, as the servants of Congress shall determine the costs of production here and abroad and lay the clear proof before Congress. The present leaders of Congress do not want this proof. They now refuse to have it. Their disposition is still as it was when a committee of manufacturers asked for 250 per cent duty. A New York firm in good standing declared 50 per cent ample. The committee to whom these statements were made was composed of lawyers. Had they been serving a client in a private case, or the public to whom they were oath-bound, they would have demanded proof, and secured it. But no, they did not want it. They gave rates running for most part from 100 to 150 per cent, and it is said one of the beneficiaries of the rates wrote the schedule as usual. It was written too in a way not easily understood by the uninitiated.

Congress has recently given to the country remarkable and conclusive evidence of the need of a permanent tariff commission. Of the 4,000 items in the present tariff few are simpler than those on wood pulp and print paper. By the power of the press the House against its will was compelled to consider these two items at the last session. It delegated to that task five members, who have spent some two months on these two items. We are told that they will be unable thoroughly to digest the evidence and report with understanding on these two items except as they devote many more weeks thereto. By instituting this inquiry, the House acknowledges that every rate should be based upon a thorough investigation. By the length of the inquiry it demonstrates the impossibility of the House itself, unassisted, determining rightly a fifth part of the schedules in a lifetime. The work must go undone or be delegated in great measure to a commission acting as the servant of Congress, and advisory also to the President, who, too, must act with understanding. The power of tariff making rests wholly in Congress. That power carries an obligation so great, that exhaustive investigation and a complete understanding should precede action.

The ascertainment of facts is a judicial and not a legislative function. Congress has recognized this in the recent establishment of a currency commission, and by many previous commissions.

There is no doubt of the wide-spread use of the commission plan or of its efficiency in handling questions which require careful consideration, and which bring into play quasi-legislative and judicial, as well as purely administrative judgments. Use is made of them in every department of our municipal, state and national service. In 1906 fifteen states supported 281 commissions. Recent state legislation has created more than 445. The multiplication of state commissions is one of the striking facts in our recent administrative development. Those commissions generally stand for efficiency and economy and for the methods of our business life. Many of the greatest national movements have found their origin in the work of these commissions. Two of national consequence have acted recently and most satisfactorily, these being the Anthracite Coal Commission and the Interstate Commerce Commission. President Roosevelt recommends to Congress the establishment of a permanent commission to study, and, under Congress, develop our internal waterways. The desirability of such a commission is immediately apparent. The Industrial Commission and others resulted in great improvement in the postal service, in the development of the Department of Commerce and Labor, in the rate, the Elkins and the immigration laws, in part to the anti-trust laws, etc. Alongside these, and of equal or greater moment, will soon be found a Tariff Commission.

No commission can make a tariff. That power rests exclusively in Congress. Congress as a whole is well intentioned, however, and we gladly believe that Congress will do rightly by the people, once the clear proof is put before it.

The present tariff situation cannot long endure. It will, however, be projected into the next law in part at least, and in as great measure as public sentiment permits. Every effort of daring and skilful manipulations in both parties will be made to yield as little as possible and to secure as much as may be obtained in excess of honest desert. May we hope that an aroused public opinion will do now and fully, that which will otherwise be done only in part. If the task be only begun it will needs be completed at a later date after the people have suffered a loss of billions of dollars, and a loss also of what is of priceless value—public honor, moral worth, and international esteem.